

810-5-1-.211 Motor Vehicle Registration Delinquency Penalty and Interest Charges.

(1) Penalties for the late registration of a motor vehicle are codified in Sections 40-12-260(a)(5) and 32-6-65(b), Code of Alabama 1975. Additionally, a penalty under Section 40-12-249(b) is applicable to anyone operating a vehicle with an improper class license plate. This rule does not address the penalty provisions of Section 40-12-255(b) involving manufactured homes.

(2) Effective August 1, 2004, registrants have 20 days from date of purchase or acquisition to register a newly acquired vehicle without penalty.

(3) In determining the 20-day penalty free period, the day the vehicle was actually acquired is not included in the calculations (see Section 1-1-4, Code of Alabama 1975 and opinion of the Attorney General to Honorable Walker Hobbie, Judge of Probate, Montgomery County, under date of November 14, 1980). Thus issuing officials, in calculating the 20-day "grace period" must begin counting using the day following the purchase or acquisition date.

(4) In calculating the 20 day penalty and interest "grace period," if the 20th day falls on a Saturday, Sunday, holiday, or any day that the county issuing office is closed, the vehicle owner may register his or her vehicle the next business day without penalty and interest charges as per Alabama law.

(5) If someone is issued a current and valid Alabama temporary license plate(s) before the 20-day penalty and interest "grace period" expires for his or her newly acquired vehicle, penalty and interest are not to be charged if the vehicle is registered while the temporary plate(s) remains valid. The temporary plate must have been acquired prior to the delinquent period.

(6) If someone is issued a current and valid temporary license plate for his or her newly acquired vehicle in another jurisdiction, penalty and interest shall not be charged when registered while the temporary plate is valid, even if the 20th day occurs before the temporary plate expires. Provided, the temporary plate acquired from another jurisdiction must have been secured within the 20-day "grace period" from date purchased or acquired.

(7) Section 32-6-65(b), in defining the phrase "late registration of a motor vehicle" uses the phrase "date of purchase or acquisition." There are many ways one may **acquire** a motor vehicle, including:

- (a) Gift,
- (b) Prize,
- (c) Divorce settlement,
- (d) Estate settlement.

(8) It is the responsibility of anyone acquiring a vehicle to prove to the satisfaction of the license plate issuing official the date the vehicle was acquired, if the vehicle was operated with a temporary license plate, and any other factor that would assist the issuing official in determining when the registration fee liability attaches, and if delinquency penalty and interest charges are due.

(9) Situations sometimes occur where the **date of purchase** is different from the **date of acquisition**. In cases where the registrant can document to the issuing official that the newly acquired vehicle was not received by the owner until a date subsequent to the purchase date, penalty and interest shall not be charged if the vehicle is registered within 20 days of the acquisition date. Example: Someone acquiring a new truck from a dealership, as part of the purchase contract, requires the dealer to paint the truck and add special equipment, and such changes result in the new owner not taking possession of the truck until several days after the date shown on the title application as the purchase date.

(10) Situations sometimes occur where a purchaser will acquire a motor vehicle, have it delivered by the selling dealership to the purchaser's location, where it is stored until weeks or months later when the purchaser needs to place the vehicle into service. If the purchaser documents to the license plate issuing official that the vehicle was delivered by the seller and not subsequently operated on the public highways prior to the vehicle being registered, the issuing official shall charge no late registration penalty or interest.

(11) Under provisions of the Alabama Certificate of Title and Antitheft Act, a salvage motor vehicle may be rebuilt and operated on the public highways. In such cases, upon inspection and the issuance of an application for certificate of title for the rebuilt vehicle by the Department of Revenue, the vehicle shall be registered within 20 days of the date shown on the application for certificate of title without penalty or interest charges attaching (unless the registration fee liability does not attach, for example, if the rebuilt vehicle is acquired by and immediately placed into dealer inventory).

(12) There are situations where owners acquire motor vehicles to be used exclusively on private property and not on the "public highway" as that term is defined in Section 40-12-240. In the event the owner needs to operate the vehicle on the public highways, before operating, the owner must first register the vehicle – there is no 20-day grace period in such cases. In the event the vehicle is operated on the public highways without the registration having been acquired before operation, delinquency penalties and interest charges are due when the vehicle is subsequently registered. Vehicle operation on the public highways does not include movement directly from one side of a public highway to the opposite side of the highway (for example, to move the vehicle from plant sites directly across the highway from each other).

(13) In the event someone leases a motor vehicle, the lease date is the date of acquisition, and the registration fee liability attaches on the lease date, unless the lessor

or lessee can provide evidence that the lessee did not receive control and possession of the vehicle on the lease date.

(14) In the event a licensed motor vehicle dealer moves a vehicle from his/her vehicle sales inventory to be used as daily rental vehicle, the motor vehicle dealer shall certify to the issuing official the date that the vehicle was placed into the rental inventory, or the date that the vehicle was first used as a rental vehicle, whichever date is first, in order for the issuing official to determine if delinquency penalty and interest charges accrue. This same requirement is applicable if the vehicle is removed from dealer inventory for use as a service vehicle, etc.

(15) In the event a **manufacturer of motor vehicles** elects to sell a motor vehicle to the employee of the manufacturer or direct to a retail customer, the liability for registration fees would begin at the date of purchase or acquisition, with the purchaser having the 20-day grace period to acquire registration.

(16) In accordance with the opinion of the Attorney General issued to the Honorable Larry Prince, Tax Assessor, Franklin County, under date of June 2, 1993, during the 20-day period a newly acquired vehicle may be operated without a current and valid Alabama license plate being displayed on the vehicle, if the owner has not secured a new registration for the vehicle.

(17) In accordance with the provisions of Section 40-12-260(b)(1)(2) and (3), during the 20-day grace period from purchase date or acquisition date, the operator of the newly acquired vehicle must retain with the vehicle the ownership document(s) authorized in these law subsections for possible presentation to law enforcement. Provided, if the person acquiring the vehicle has a current and valid license plate formerly registered to another vehicle he/she previously owned, said license plate may be affixed to newly acquired motor vehicle.

(18) If the newly acquired motor vehicle is a truck or truck tractor with a gross weight exceeding 10,000 pounds, or is a commercial bus, while the registration may be secured without penalty during the 20-day period following the date of purchase or acquisition, operation of the truck, truck tractor or commercial bus on the public highways, without a current and valid license plate may subject the operator to law enforcement sanctions; particularly, if the vehicle is operated outside the State of Alabama.

(19) If the owner of a newly acquired motor vehicle seeks to register the vehicle by transferring the current and valid registration from a vehicle he/she continues to own, in accordance with the provisions of Section 40-12-260, such transfer cannot be made. If, however, the owner can document to the satisfaction of the license plate issuing official that the previously owned vehicle was sold or otherwise disposed of prior to the acquisition of new vehicle, the transfer may be made. Provided, if the owner of the newly acquired vehicle can document to the satisfaction of the license plate issuing official that the previously registered vehicle was junked or destroyed thereby rendering

it inoperable, although he or she continues to own the vehicle, prior to the acquisition of the new vehicle, the issuing official may transfer the license plate from said vehicle to the newly acquired vehicle within the 20-day period without registration penalty or interest charges.

(20) In the event an Alabama resident acquires a motor vehicle in another state, and operates the vehicle in that jurisdiction, or outside the State of Alabama, for days, weeks, or months, perhaps using temporary plates from the jurisdiction where vehicle was purchased, the 20-day penalty free period shall begin on the day following the date the vehicle enters the State of Alabama, as the registration fee liability attaches upon vehicle operation upon Alabama public highways.

(21) Generally, any vehicle subject to registration fee or ad valorem tax exemption is not exempt from penalty and interest charges. However, vehicle owners, under laws providing for exemption of “charges of any nature whatsoever” (such as Section 40-9-12) are exempt from penalty and interest charges.

(22) The \$15 penalty levied under Section 32-6-65(b) for “the failure to register the vehicle within 20 calendar days of the date of purchase or acquisition” is applicable when the vehicle owner has no current and valid Alabama license plate that can be transferred to the newly acquired vehicle. In the case where the vehicle owner has a current and valid Alabama license plate which was removed from a vehicle that was sold, junked or destroyed, and fails to transfer said license plate to the newly acquired vehicle within 20 days of purchase or acquisition, only the transfer penalty imposed under Section 40-12-260 (a)(5) shall be applicable.

(23) Section 32-6-65(b) provides for a \$15 penalty for anyone failing to renew his or her vehicle registration during his or her designated renewal month. In the event a motor vehicle owner has a current and valid Alabama license plate that may be transferred to a newly acquired vehicle, and fails to do so within the 20-day grace period, and also fails to timely renew his or her vehicle registration in the designated renewal month, both the \$15 transfer penalty and the \$15 penalty authorized under Section 32-6-65 (b) for failure to timely renew shall be applicable.

(24) If the last day of the registrant’s renewal month(s) falls on a Saturday, Sunday, holiday, or other day that the issuing office is closed, the registrant may renew his or her vehicle registration without penalty or interest charges during the next business day.

(25) Some Alabama counties send renewal notices to persons previously registering their motor vehicles in that county. The failure of any county to offer this service, or the failure of the renewal notice to be received by the vehicle owner does not serve to waive the penalty or interest charges levied under Alabama law.

(26) Section 40-12-10(f) provides that a license-issuing official cannot “fail to collect such penalties when issuing such license.” However, anyone determined to be

subject to a registration law penalty may, after paying the penalty, seek a review by a court of competent jurisdiction to seek a refund of the penalty or interest charges. Registration penalties assessed on vehicles subject to registration under Section 32-6-56, Code of Alabama 1975, may be appealed to the Department's Administrative Law Division.

(27) Penalty provisions found in Sections 40-12-260 and 32-6-65 are not applicable when the following registrations are issued:

- (a) State, county, municipal government, Public Utility Department vehicles. Vehicles owned by volunteer fire department license plates as authorized under Section 40-12-250.
- (b) U.S. Government Loaned Vehicles.
- (c) Dealer and dealer motorcycle plates and Manufacturer plates (see Section 40-12-264).
- (d) Temporary license plates.

(28) Under the provisions of Section 40-12-262, a non-resident moving to the State of Alabama with a current and valid out-of-state registration has 30 days following the date the vehicle enters the state to obtain an Alabama registration. Anyone failing to timely register their vehicle is subject to a registration penalty under Section 32-6-65(b). Note that this 30-day period is based on the vehicle owner having a current and valid out-of-state registration; if not, the vehicle must be registered immediately. Provided, if the vehicle is exempt from registration in its former base jurisdiction, registration for the vehicle must be accomplished within 20 days following the date the vehicle enters the state.

(29) Section 40-12-249(b) provides for a 25% penalty on the difference between fees paid and fees due when someone is cited with operating a vehicle with the incorrect class of license plate. This penalty refers to situations where the registrant's vehicle is improperly registered with a lower weight license plate category than required, or when the registrant is operating a vehicle with one class license plate when another class license plate is required.

(30) In situations where a vehicle is operated during the renewal month(s) after the previous registration expired with an improper class license plate, the operator can be cited for improper license plate for the previous registration year, with the 25% penalty applicable. Additionally, the registrant would owe registration fees for the proper classification of license plate for the current registration period.

(31) In the event a person acquires a vehicle in a month other than their designated renewal month, and registers it with an improper classification license plate, the 25% penalty shall be based on the difference between the prorated fees for the license plate classification that should have been obtained beginning for the month the

vehicle was acquired, and the prorated fees for the license plate classification that was obtained.

(32) Section 40-12-10(d) authorizes the collection of a citation fee when a "Notice to Obtain License Plate" is issued, and requires that the issuing official collect the citation fee "before issuing any license."

(33) The term "citation" as used in Section 40-12-249(b) refers to the "Notice to Obtain License Plate" as authorized in Section 40-12-10, and does not refer to Uniform Traffic Tickets.

(34) Section 40-12-10(e) requires the license plate issuing official to collect interest when issuing a delinquent motor vehicle registration. Interest charges are calculated based on the provisions of Section 40-1-44, with the Department of Revenue providing notice of interest rate changes to the license plate issuing officials.

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Authority: Sections 40-2A-7(a)(5), 32-6-61, 32-6-65, 40-12-242, 40-12-260 and 40-12-264, Code of Alabama 1975

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